

HOUSE BILL REPORT

HB 1970

As Reported by House Committee On:
State Government Operations & Accountability
Appropriations

Title: An act relating to improving government management, accountability, and performance.

Brief Description: Improving government management, accountability, and performance.

Sponsors: Representatives P. Sullivan, Springer, Miloscia, Upthegrove, Morrell, Haigh, O'Brien, Linville and Takko; by request of Governor Gregoire.

Brief History:

Committee Activity:

State Government Operations & Accountability: 2/25/05, 3/2/05 [DPS];
Appropriations: 3/5/05 [DP2S(w/o sub SGOA)].

Brief Summary of Second Substitute Bill

- Requires state agencies and the Legislature and encourages the Washington Supreme Court to establish a quality management, accountability, and performance system.

HOUSE COMMITTEE ON STATE GOVERNMENT OPERATIONS & ACCOUNTABILITY

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 5 members: Representatives Haigh, Chair; Green, Vice Chair; Hunt, McDermott and Miloscia.

Minority Report: Do not pass. Signed by 4 members: Representatives Nixon, Ranking Minority Member; Clements, Assistant Ranking Minority Member; Schindler and Sump.

Staff: Marsha Reilly (786-7135).

Background:

A number of programs have been instituted to improve government efficiency and accountability.

Legislation was enacted in 1996 establishing a performance based budgeting system for state agencies. Agencies are expected to: (a) establish mission statements and set goals; (b) develop strategies to achieve goals; (c) set outcome based objectives; (d) provide continuous

self-assessment of each program; (e) link budget proposals with their mission statements and goals; and (f) objectively determine the success in achieving goals.

The Governor issued Executive Order 97-03 in 1997 requiring all state agencies to develop and implement programs to improve the quality, efficiency, and effectiveness of public services they provide using quality improvement, business process redesign, employee involvement, and other quality improvement techniques.

Executive Order 05-02 was recently issued instituting a government management, accountability and performance system (GMAP). Under GMAP, agencies are required to:

- develop clear, relevant and easy-to-understand performance measures;
- demonstrate how programs contribute to the priorities important to citizens;
- gather, monitor, and analyze program data;
- evaluate program effectiveness;
- hold regular problem-solving sessions;
- allocate resources based on strategies that work; and
- make regular reports on performance to the Governor.

Summary of Substitute Bill:

State agencies are required to develop and implement a quality management, accountability, and performance system. Managers and staff at all levels, including front-line employees, must be involved and training must be provided.

Agencies shall ensure that its system:

- uses strategic business planning for the purpose of establishing goals, objectives, and activities consistent with the priorities of government;
- engages stakeholders and customers in establishing service requirements and improve service delivery systems;
- includes clear, relevant and understandable measures for each activity;
- gathers, monitors and analyzes activity data;
- uses data to evaluate program effectiveness;
- establishes performance goals and expectations for employees that reflect the agency's objectives;
- uses activity measures to report progress in reaching agency objectives;
- holds regular problem-solving sessions to develop and implement plans for addressing gaps; and
- allocates resources based on strategies to improve performance.

Agencies are required to report quarterly to the Governor, and the Governor must report performance of state agency programs annually to the citizens of the state. The Governor's report must include progress made toward the priorities of government and improvements in agency management systems, fiscal efficiency, process efficiency, asset management, personnel management, statutory and regulatory compliance, and management of technology systems.

Agencies are directed to integrate all quality management, accountability, and performance systems undertaken through executive order or other authority.

Beginning no later than 2008, agencies must apply at least once every three years to the Washington state quality award, or similar organization, for an independent assessment of its quality management, accountability, and performance system.

The Legislature is directed and the Supreme Court is encouraged to develop and implement a quality management, accountability, and performance system.

For purposes of the bill, "state agency" includes a state agency, department, office, officer, board, commission, bureau, division, institution, or institution of higher education, and all offices of executive branch state government-elected officials.

Substitute Bill Compared to Original Bill:

The substitute bill stipulates that the management system be a "quality" management system. It also requires the Legislature and encourages the Supreme Court to implement a similar system. The substitute makes clear that front line employees are included in training and implementation efforts.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: (In support of original bill) The top priority of government is efficiency and accountability and this legislation is an important component. This framework will serve as the architecture of government and when joined with other legislation will form a clear and transparent framework in which to hold state agencies and its activities accountable. This legislation will regain trust in state government.

(With concerns on original bill) There are concerns about the process. This legislation does not review agency staffing levels. Front-line employees are abused when more and more managers are hired and workloads increase. Staff are powerless and get the blame. Language looking at management levels needs to be reinstated.

Testimony Against: None.

Persons Testifying: (In support of original bill) Representative P. Sullivan, prime sponsor; and Tom Fitzsimmons, Office of the Governor.

(With concerns on original bill) Bev Hermanson, Washington Federation of State Employees.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The second substitute bill be substituted therefor and the second substitute bill do pass and do not pass the substitute bill by Committee on State Government Operations & Accountability. Signed by 23 members: Representatives Sommers, Chair; Fromhold, Vice Chair; Anderson, Assistant Ranking Minority Member; McDonald, Assistant Ranking Minority Member; Armstrong, Bailey, Cody, Conway, Darneille, Dunshee, Grant, Haigh, Hinkle, Hunter, Kagi, Kenney, Kessler, Linville, McDermott, Miloscia, Priest, Schual-Berke and Walsh.

Minority Report: Do not pass. Signed by 5 members: Representatives Alexander, Ranking Minority Member; Buri, Clements, Pearson and Talcott.

Staff: Brian Enslow (786-7143).

Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On State Government Operations & Accountability:

The second substitute bill requires the Governor's report to be included on agencies', the Governor's, and the Office of Financial Management's web site.

A null and void clause was added, making the bill null and void unless funded in the budget.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Second Substitute Bill: The bill takes effect 90 days after adjournment of session in which bill is passed. However, the bill is null and void unless funded in the budget.

Testimony For: None.

Testimony Against: None.

Persons Testifying: None.

Persons Signed In To Testify But Not Testifying: None.